

Coast Guard and Maritime Transportation Act of 2004, as section 70120;

(3) by redesignating the second section 70119 (relating to civil penalty), as redesignated by section 802(a)(1) of the Coast Guard and Maritime Transportation Act of 2004, as section 70122; and

(4) by inserting after section 70120, as redesignated by paragraph (2), the following:

**“§ 70121. Container security initiative**

“(a) IN GENERAL.—Pursuant to the standards established under subsection (b)(1) of section 70116—

“(1) the Secretary, through the Commissioner of Customs and Border Protection, shall issue regulations to—

“(A) evaluate and screen cargo documents prior to loading in a foreign port for shipment to the United States, either directly or via a foreign port; and

“(B) inspect high-risk cargo in a foreign port intended for shipment to the United States by physical examination or nonintrusive examination by technological means; and

“(2) the Commissioner of Customs and Border Protection shall execute inspection and screening protocols with authorities in foreign ports to ensure that the standards and procedures promulgated under paragraph (1) are implemented in an effective manner.

“(b) EXTENSION OF CONTAINER SECURITY INITIATIVE TO OTHER PORTS.—The Secretary, through the Commissioner of Customs and Border Protection, may designate foreign seaports under this section if, with respect to any such seaport, the Secretary determines that—

“(1) the seaport—

“(A) presents a significant level of risk;

“(B) is a significant port or origin or transshipment, in terms of volume or value, for cargo being imported to the United States; and

“(C) is potentially capable of validating a secure system of transportation pursuant to section 70116; and

“(2) the Department of State and representatives of the country with jurisdiction over the port have completed negotiations to ensure compliance with the requirements of the container security initiative.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section—

“(1) \$142,000,000 for fiscal year 2007;

“(2) \$144,000,000 for fiscal year 2008; and

“(3) \$146,000,000 for fiscal year 2009.”.

(b) CONFORMING AMENDMENTS.—

(1) The chapter analysis for chapter 701 of title 46, United States Code, is amended by striking the items following the item relating to section 70116 and inserting the following:

“70117. *In rem liability for civil penalties and certain costs*

“70118. *Firearms, arrests, and seizure of property*

“70119. *Withholding of clearance*

“70120. *Enforcement by State and local officers*

“70121. *Container security initiative*

“70122. *Civil penalty*”.

(2) Section 70117(a) of title 46, United States Code, is amended by striking “section 70120” and inserting “section 70122”.

(3) Section 70119(a) of such title, as redesignated by subsection (a)(1) of this section, is amended—

(A) by striking “under section 70119,” and inserting “under section 70122.”; and

(B) by striking “under section 70120,” and inserting “under that section.”.

(4) Section 111 of the Maritime Transportation Security Act of 2002 is repealed.

**SEC. —09. SECURE SYSTEMS OF INTERNATIONAL INTERMODAL TRANSPORTATION.**

Section 70116 of title 46, United States Code, is amended—

(1) by striking “transportation.” in subsection (a) and inserting “transportation—

“(1) to ensure the security and integrity of shipments of goods to the United States from the point at which such goods are initially packed or loaded into a cargo container for international shipment until they reach their ultimate destination; and

“(2) to facilitate the movement of such goods through the entire supply chain through an expedited security and clearance program.”; and

(2) by striking subsection (b) and inserting the following:

“(b) PROGRAM ELEMENTS.—In establishing and conducting the program under subsection (a) the Secretary, acting through the Commissioner of Customs and Border Protection, shall—

“(1) establish standards and procedures for verifying, at the point at which goods are placed in a cargo container for shipping, that the container is free of unauthorized hazardous chemical, biological, or nuclear material and for securely sealing such containers after the contents are so verified;

“(2) establish standards and procedures for screening and evaluating cargo prior to loading in a foreign port for shipment to the United States either directly or via a foreign port;

“(3) establish standards and procedures for securing cargo and monitoring that security while in transit;

“(4) develop performance standards to enhance the physical security of shipping containers, including performance standards for seals and locks;

“(5) establish standards and procedures for allowing the United States Government to ensure and validate compliance with this program; and

“(6) incorporate any other measures the Secretary considers necessary to ensure the security and integrity of international intermodal transport movements.

“(c) BENEFITS FROM PARTICIPATION.—The Commissioner of Customs and Border Protection may provide expedited clearance of cargo to an entity that—

“(1) meets or exceeds the standards established under subsection (b); and

“(2) certifies the security of its supply chain not less often than once every 2 years to the Secretary.”.

**SEC. —10. PORT SECURITY USER FEE STUDY.**

The Secretary of Homeland Security shall conduct a study of the need for, and feasibility of, establishing a system of oceanborne and port-related intermodal transportation user fees that could be imposed and collected as a dedicated revenue source, on a temporary or continuing basis, to provide necessary funding for the improvement and maintenance of enhanced port security. Within 1 year after date of enactment of this Act, the Secretary shall submit a report to the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Transportation and Infrastructure, and the House of Representatives Committee on Homeland Security that—

(1) contains the Secretary's findings, conclusions, and recommendations (including legislative recommendations if appropriate); and

(2) includes an assessment of the annual amount of customs fees and duties collected through oceanborne and port-related transportation and the amount and percentage of such fees and duties that are dedicated to improve and maintain security.

**SEC. —11. DEADLINE FOR TRANSPORTATION SECURITY CARDS.**

The Secretary shall issue a final rule under section 70105 of title 46, United States Code, no later than January 1, 2007.

**SEC. —12. PORT SECURITY GRANTS.**

(a) BASIS FOR GRANTS.—Section 70107(a) of title 46, United States Code, is amended by striking “for making a fair and equitable allocation of funds” and inserting “based on risk and vulnerability”.

(b) ELIGIBLE COSTS.—Section 70107(b) of title 46, United States Code, is amended by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively.

(c) LETTERS OF INTENT.—Section 70107(e) of title 46, United States Code, is amended by adding at the end the following:

“(5) LETTERS OF INTENT.—The Secretary may execute letters of intent to commit funding to port sponsors from the Fund.”.

**SEC. —13. CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM SECURITY VALIDATION PROGRAM.**

(a) IN GENERAL.—Chapter 701 of title 46, United States Code, as amended by section —08 of this title, is further amended—

(1) by redesignating section 70122 (as redesignated by section —08(a)(3) of this title) as section 70123; and

(2) by inserting after section 70121 the following:

**“§ 70122. Customs-Trade Partnership Against Terrorism validation program.**

“(a) VALIDATION; RECORDS MANAGEMENT.—The Secretary of Homeland Security, through the Commissioner of Customs and Border Protection, shall issue regulations—

“(1) to strengthen the validation process to verify that security programs of members of the Customs-Trade Partnership Against Terrorism have been implemented and that the program benefits should continue by providing appropriate guidance to specialists conducting such validations, including establishing what level of review is adequate to determine whether member security practices are reliable, accurate, and effective; and

“(2) to implement a records management system that documents key decisions and significant operational events accurately and in a timely manner, including a reliable system for—

“(A) documenting and maintaining records of all decisions in the application through validation processes, including documentation of the objectives, scope, methodologies, and limitations of validations; and

“(B) tracking member status.

“(b) HUMAN CAPITAL PLAN.—Within 6 months after the date of enactment of the Maritime Security Improvement Act of 2006, the Secretary shall complete a human capital plan, that clearly describes how the Customs-Trade Partnership Against Terrorism program will recruit, train, and retain sufficient staff to conduct the work of the program successfully, including reviewing security profiles, vetting, and conducting validations to mitigate program risk.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Homeland Security to carry out section 70122 of title 49, United States Code, not to exceed—

(1) \$60,000,000 for fiscal year 2007;

(2) \$65,000,000 for fiscal year 2008; and

(3) \$72,000,000 for fiscal year 2009.

(c) CONFORMING AMENDMENTS.—

(1) The chapter analysis for chapter 701 of title 46, United States Code, as amended by section —08(b) of this title, is further amended by striking the item relating to section 70122 and inserting the following:

“70122. *Customs-Trade Partnership Against Terrorism validation program*

“70123. *Civil penalty*”.